

**LAND ASSEMBLAGE REDEVELOPMENT AUTHORITY
MINUTES OF THE BOARD MEETING
HOUSTON, TEXAS**

March 27, 2009

A meeting of the Board of Directors (the "Board") of the Land Assemblage Redevelopment Authority ("LARA" or the "Authority"), a Texas non-profit corporation created and organized by the City of Houston as a local government corporation pursuant to the Texas Transportation Code Annotated, Section 431.101, et seq., and the Texas Local Government Code Annotated, Section 394.001 et seq., was held in the Houston City Hall Annex Council Chambers, Public Level, 900 Bagby Street, Houston, Harris County, Texas, on Friday, March 27, 2009. Written notice of the meeting, which included the date, hour, place and agenda for the meeting, was posted in accordance with the Texas Open Meetings Act.

Board members in attendance were:

David Collins, Chairman
Reginald Adams, President
Curtis Lampley
Pastor Steve Hall
Jeremy Ratcliff
Richard Leal
Michael Harris
Rev. John W. Bowie

Board Members absent were Stephan Fairfield, James Harrison, III, Antoinette Jackson, Yolanda Black-Navarro and Teresa Morales.

Others in attendance included: Steve Tinnermon, Executive Director of the Authority; Agatha Collins of the Neighborhoods and Housing Division of the Mayor's Office; Greg Erwin, Joe Fonlon, Nancy Nguyen and Sandra Bonnardel of Winstead PC, the Authority's General Counsel; Cheryl Felps of Linebarger, Goggan, Blair & Sampson, L.L.P.; Chris Butler, special assistant to the Mayor of Houston for property construction; Lynn Henson of the City of Houston's Planning and Development Department; Norma Garcia of the Neighborhoods and Housing Division of the Mayor's Office; and Andrea Jones of the Mayor's Office.

I. Call to Order and Roll Call

Mr. Collins, Chairman, called the Board meeting to order at 2:00 p.m. and noted for the record that a quorum of the Board was present.

II. Approval of Minutes from the March 27, 2009

Mr. Collins advised that before he called for approval of the minutes he recalled that there was an item that has been tabled. Mr. Erwin confirmed that the right of first refusal was tabled as noted in the minutes. Mr. Collins asked if there were any other comments. A motion

to approve the minutes was made by Mr. Hall, seconded by Mr. Adams and unanimously approved.

III. Treasurer's Report

1. LARA Financial Report for February, 2009

In the absence of Ms. Morales, Treasurer, the Treasurer's Report was made by Mr. Adams. He reported that for the eight months ended February 28, 2009, total revenues were \$412,215, with expenditures of \$661,539. The ending balance for the year is \$7,210,862. There were no outstanding or unusual expenses to date. Upon motion by Pastor Hall and second by Richard Leal, the Treasurer's Report was unanimously approved.

IV. Auction Update by Linebarger, Goggan, Blair and Sampson, LLP

Cheryl Felps with Linebarger, Goggan, Blair & Sampson LLP reported that there are approximately 20 properties remaining in the Third and Fifth Wards. Acquisition of the properties left in the pilot program should be completed in approximately 12 months. Twelve properties were acquired in March (six by strike-off and six by purchase). Fourteen properties are for sale in April. Mr. Collins called for questions. There being none, he moved to the next agenda item.

V. Committee Reports

1. Executive Committee

Mr. Adams reported that the Executive Committee had met earlier this afternoon. The committee discussed several items which will be brought to the Board for approval, including the acknowledgment of the award of a LARA Lot Acquisition Contract to Galleria Homes under the \$1 Lot Program in Sunnyside, a LARA Lot Acquisition Contract with New Citi Homes under the \$1 Lot Program in Sunnyside and the Fifth Ward, and a LARA Lot Acquisition Contract with Majestic Homes under the \$1 Lot Program in Sunnyside. The Committee also recommends the approval of an Urban Garden Lease Agreement for lots situated at 702 Emile Street and approval of a right of first refusal in eligible adjacent property owners establishing criteria whereby certain qualifying adjacent property owners may apply to exercise any rights of first refusal that may be available. The Executive Committee also recommends that the Board authorize the sale of certain LARA lots to eligible adjacent property owners pending a determination of eligibility by legal counsel. The Executive Committee recommends approval of the Second Amendment to the Urban Redevelopment Agreement between all of the interlocal partners and approval of the Fifth Amendment to the Grant Agreement between the City of Houston and LARA. Lastly, the Executive Committee recommends an Escrow Agreement between LARA and Stewart Title Company for administration of LARA fees as seller under the \$1 Lot Program. Mr. Collins called for questions. There being none, he moved to the next agenda item.

2. Builder Selection Committee

Mr. Ratcliff reported that the Builder Selection Committee reviewed and approved three new builders for the program: Galleria Homes, New Citi Homes and Majestic Home Builders.

Mr. Collins asked how many lots New Citi Homes had contracted for and Mr. Butler advised that it was 11. Mr. Collins called for questions. There being none, he moved to the next agenda item.

3. LARA/Houston Hope Construction Update

Mr. Bulter reported that LARA has entered into contracts with builders on 249 lots. There are 32 lots currently under various stages of construction. Eleven of these lots have completed homes. Seventy-three homes have been sold to buyers in the Houston Hope areas.

- (a) **Acknowledgment of award of a LARA Lot Acquisition Contract to Galleria Homes for the construction of new affordable housing under the Solicitation of Offers for Affordable Housing Development \$1 Lot Program in Sunnyside.**

A motion to acknowledge and approve the award of a LARA Lot Acquisition Contract under the \$1 Lot Program to Galleria Homes was made by Mr. Adams, seconded by Mr. Ratcliff and unanimously approved.

- (b) **Acknowledgment of award of a LARA Lot Acquisition Contract to New Citi Homes for the construction of new affordable housing under the Solicitation of Offers for Affordable Housing Development \$1 Lot Program in Sunnyside and Fifth Ward.**

A motion to acknowledge and approve the award of a LARA Lot Acquisition Contract under the \$1 Lot Program to New Citi Homes was made by Mr. Ratcliff, seconded by Pastor Hall and unanimously approved.

- (c) **Acknowledgment of award of a LARA Lot Acquisition Contract to Majestic Homes for the construction of new affordable housing under the Solicitation of Offers for Affordable Housing Development \$1 Lot Program in Sunnyside.**

A motion to acknowledge and approve the award of a LARA Lot Acquisition Contract under the \$1 Lot Program to Majestic Home Builders was made by Mr. Adams, seconded by Pastor Hall and unanimously approved.

- (d) **Other Updates**

Mr. Adams noted that the Executive Committee had discussed revisiting the tour of Houston Hope-LARA program and Mr. Tinnermon would bring some information to the next meeting as to when that may take place. Furthermore, new marketing materials have been printed and it has been requested again that LARA's logo and organizational identity be printed on all materials. All those materials should be submitted to the

Board before printing so that the Board can ensure that LARA's identity is concluded before LARA pays for any of those expenses.

Mr. Collins called for questions. There being none, he moved to the next agenda item.

VI. Consideration and possible action approving an Urban Garden License for a LARA lot situated at 702 Emile Street in Fifth Ward

A motion to approve an Urban Garden License for a LARA lot situated at 702 Emile Street in Fifth Ward was made by Mr. Adams, seconded by Pastor Hall and unanimously approved.

Mr. Collins asked Marcela Murff, representative from Urban Gardens, to make a statement.

Ms. Murff discussed the Garden's after-school programs and the fact that all work was performed by volunteers. She noted that the volunteers who work the garden (which is over two acres in size) get paid in food. Mr. Adams encouraged all Board Members to see the garden. Rev. Bowie pointed out that the garden encouraged children to learn about healthy foods. Mr. Ratcliff noted that the process encouraged people to work and was open to all.

Mr. Collins thanked Ms. Murff and called for questions. There being none, he moved to the next agenda item.

VII. Consideration and possible action approving the adoption of an amended policy covering a Right of First Refusal in Eligible Adjacent Property Owners and establishing criteria whereby certain qualifying Adjacent Property Owners may apply to exercise any Rights of First Refusal that may be available

A motion was made by Mr. Harris to table this agenda item for further clarification, seconded by Mr. Leal and unanimously approved.

Mr. Harris stated that he would have comments back to the Board by the next meeting or before.

VIII. Consideration and possible action authorizing the sale of certain LARA lots to Eligible Adjacent Property Owners, pending determination of eligibility by Legal Counsel, Winstead PC

Mr. Lampley asked if there was a relation between Items VII and VIII.

Mr. Adams pointed out that this item just gives LARA counsel the authority to do due diligence, once Item VII is approved.

A motion to approve authorizing sale of certain LARA lots to Eligible Adjacent Property Owners, pending determination of eligibility by Legal Counsel, Winstead PC, was made by Mr. Adams, seconded by Mr. Harris and unanimously approved.

IX. Consideration and possible action approving the Second Amendment to the Urban Redevelopment Agreement among the City of Houston, Harris County, the Harris County Flood Control District, acting by and through their governing body, the Commissioners Court, the Houston Community College System, the Houston Independent School District, the Port of Houston Authority of Harris County, Texas, the Harris County Department of Education, the Harris County Hospital District, and the Land Assemblage Redevelopment Authority

Mr. Tinnermon presented a brief overview of the Second Amendment, which (1) extends the term of the Agreement until March 12, 2014 and (2) clarifies that properties that LARA purchases through constable's sales are not subject to the terms of the Urban Redevelopment Agreement and that the Urban Redevelopment Agreement applies only to lots acquired by strike-off.

Mr. Collins questioned the dating of the original Interlocal Agreement and Mr. Adams explained that different jurisdictions had signed at different times and the referenced date was the date signed by LARA.

A motion to approve the Second Amendment to the Urban Redevelopment Agreement among the City of Houston, Harris County, the Harris County Flood Control District, acting by and through their governing body, the Commissioners Court, the Houston Community College System, the Houston Independent School District, the Port of Houston Authority of Harris County, Texas, the Harris County Department of Education, the Harris County Hospital District, and the Land Assemblage Redevelopment Authority was made by Mr. Adams, seconded by Mr. Ratcliff and unanimously approved.

X. Consideration and possible action approving the Fifth Amendment to the Grant Agreement between the City of Houston and the Land Assemblage Redevelopment

Mr. Collins asked if the ordinance approving the Fifth Amendment had been tabled by the City.

Mr. Adams replied that the ordinance had been pulled from the agenda on Wednesday for consideration at the next meeting of City Council.

Mr. Collins noted that the Board could approve the Request for Council Action.

A motion to approve the Fifth Amendment to the Grant Agreement between the City of Houston and the Land Assemblage Redevelopment as described in the Request for Council Action was made by Mr. Leal, seconded by Mr. Adams and unanimously approved.

XI. Consideration and possible action approving an Escrow Agreement between the Land Assemblage Redevelopment Authority and Stewart Title Company for the administration of LARA fees as "Seller" of certain LARA lots offered to qualified builders at a discounted price of \$1 dollar

Mr. Tinnermon explained the nature of the Agreement. LARA will establish an Escrow Agreement with Stewart Title, which is the title company that handles the LARA closings.

LARA will initially deposit \$10,000 into the escrow account. Those funds will be used to pay Seller's closing costs and fees under the \$1 Lot Program. Normally, LARA would pay those closing costs and fees through the purchase price paid by the purchaser. Because the lot is being purchased for \$1, there are no funds to pay those. This will allow LARA to pay fees quickly, as opposed to having to wait to get individual checks cut by officers.

A motion to approve the Escrow Agreement between the Land Assemblage Redevelopment Authority and Stewart Title Company for the administration of LARA fees as "Seller" of certain LARA lots offered to qualified builders at a discounted price of \$1 dollar was made by Pastor Hall, seconded by Mr. Adams.

Mr. Leal asked who will manage the Escrow Account?

Mr. Erwin replied that the exact closing costs and fees will be on the closing statement for each of those sales as the "net amount due by the seller," which will be something that Mr. Butler reviews and approves as part of the closing package. The approved closing statement will be signed by Mr. Collins and only those fees will be deducted from the account.

Mr. Collins called for further discussion. There being none, he called for a vote and the motion was unanimously approved.

XII. Executive Session

Mr. Collins stated that there were no matters requiring an executive session.

XIII. Reconvene in Open Session

Not Applicable.

XIV. Chairman's Comments

Mr. Collins stated that he received an e-mail from Board Member Yolanda Black Navarro and she has tendered her resignation. She will be asked to attend the next Board meeting at which the Board will recognize her service on the Board and thank her for her efforts.

XV. Board Member Comments

The Board Members indicated they had no further comments.

XVI. Public Comments

Mr. Erwin mentioned that prior to Jim Lemond's return to the County, Winstead's representation of LARA had been divided into contractual work, documentation and closings, which were performed by Mr. Erwin, and governance issues, open meetings questions, and government relation matters, which were performed by Mr. Lemond. Mr. Erwin stated that Gracie Saenz, former City Councilmember and former Mayor Pro Tem, had joined Winstead in the government relations area and suggested that she fulfill the role that Mr. Lemond was

fulfilling earlier, under the same fee arrangements, with no additional cost. The Board concurred with that arrangement.

XVII. Adjournment

Upon motion by Pastor Hall, seconded by Mr. Lampley, the meeting was adjourned at 2:30 p.m.

Minutes prepared by:

Greg Erwin and Sandra Bonnardel

Winstead PC

Signed on the _____ day of _____, 2009.

Reginald Adams, President